

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 991 – HB 2098

March 5, 2009

SUMMARY OF BILL: Requires the Commissioner of Agriculture to promulgate rules to regulate the labeling of food which contains genetically engineered food equal to more than one-tenth percent of the total weight of any portion. Requires the Department to create a label conspicuously bearing the words “genetically engineered” to be placed on food sold or distributed in or from the state.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$190,500/One-Time
\$139,600/Recurring**

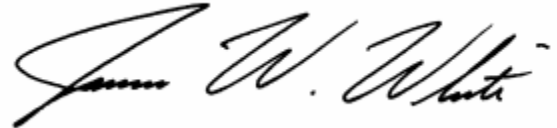
Assumptions:

- The Department of Agriculture (DOA) estimates that up to 75 percent of products on grocery store shelves contain genetically engineered ingredients.
- DOA indicates that a sampling program would be a logical means to insure compliance. A minimum of 50 samples per week at a cost of \$3.50 per sample for a cost of \$175 per week. Annual recurring cost of sampling supplies totals \$9,100 (\$175 x 52 weeks).
- DOA would require the addition of one full-time position (Chemist 2) and one part-time position (Food and Dairy Inspector 2). This recurring increase to state expenditures is estimated to be \$65,296.56 (\$45,252 in salaries + \$11,044.56 in benefits (full-time employee only) + \$9,000 for communication and supplies).
- DOA laboratory supplies are estimated to be \$18 per sample. Total recurring annual laboratory costs equals \$46,800 (\$18 x 2,600 samples).
- According to the Department of Agriculture, the specialized equipment necessary for product testing will be purchased at a one-time cost of \$190,500. Recurring increase in state expenditures for maintenance of equipment is estimated to be \$18,450.
- Creation of a label will have no significant fiscal impact on the state.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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